

**ANNUAL REPORT
OF THE
NATURAL RESOURCES STUDY
COMMITTEE**



**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

October, 2002

INDIANA LEGISLATIVE COUNCIL

2002

Speaker John Gregg

Chairman

Sandborn

Senator Robert Garton

Vice-Chairman

Columbus

Representative Brian Bosma

Indianapolis

Senator Richard Young

Milltown

Representative Mark Kruzan

Bloomington

Senator Harold Wheeler

Larwill

Representative Dale Grubb

Covington

Senator Joseph Harrison

Attica

Representative William Cochran

New Albany

Senator Patricia Miller

Indianapolis

Representative Charlie Brown

Gary

Senator Thomas Wyss

Fort Wayne

Representative Kathy Richardson

Noblesville

Senator James Lewis

Charlestown

Representative Richard Mangus

Lakeville

Senator Earline Rogers

Gary

Philip J. Sachtleben
Executive Director
Legislative Services Agency

NATURAL RESOURCES STUDY COMMITTEE

Membership Roster

Senators

Harold Wheeler, Chairperson
Larwill

Becky Skillman
Bedford

Richard Young
Milltown

James Lewis
Charlestown

Representatives

Markt Lytle
Madison

James Bottorff
Jeffersonville

Richard Mangus
Lakeville

Phyllis Pond
New Haven

Staff

Steve Wenning
Attorney for the Commission

Valerie Ruda
Fiscal Analyst for the Commission

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES

The Indiana General Assembly enacted legislation directing the Natural Resources Study Committee (Committee) to do the following:

- Conduct a continuing study of the laws relating to the Department of Natural Resources to the end that legislation may be proposed to better serve the citizens of Indiana. The Committee is to consult with representatives of the Department of Natural Resources and citizens of Indiana for the purpose of proposing legislation to accomplish the following:
 - (a) repeal of outmoded or unnecessary laws;
 - (b) consolidation and restatement of existing laws;
 - (c) improved coordination of state laws with federal laws; and
 - (d) addition or amendment of laws that will further the purpose for which the Department of Natural Resources was created. (IC 2-5-5-3)
- Advise and assist the Department of Natural Resources in programming its activities and in developing a long-range plan for land acquisition, capital improvement, and development of facilities. (IC 2-5-5-3)
- Oversee the Water Resource Management Program under IC 14-25-7. (IC 14-25-7-16)

The Legislative Council assigned the following additional responsibilities to the Committee:

- Domesticated deer farms (SR 3).
- Whitetail deer diseases and possession and harvest of deer raised in captivity (SB 301).
- Lake management problems and issues associated with public freshwater lakes (SEA 154 (vetoed)).
- Investigate and make recommendations concerning a permanent funding source for the "Clean Water Indiana" program (Legislative Council).
- Review issues concerning implementation of SEA 508-2002 concerning regulation of dams (Legislative Council).
- Review issues associated with active or abandoned railroad and utility rights-of- way. (Legislative Council).

II. INTRODUCTION AND REASONS FOR STUDY

The Natural Resources Study Committee met to carry out its statutory responsibilities under IC 2-5-5-3

and IC 14-25-7-16 and to consider the topics assigned by the Legislative Council.

III. SUMMARY OF WORK PROGRAM

The Committee met three times during the 2002 interim. Meetings were held as follows:

1. August 28, 2002 at the State House in Indianapolis
2. September 17, 2002 at the Forest Discovery Center, Starlight and September 18, 2002 at the Holiday Inn Lakeview, Clarksville
3. October 24 and 25 at the Etna-Troy Community Center, Columbia City

IV. SUMMARY OF TESTIMONY

The Committee heard testimony from DNR professionals, members of the General Assembly, representatives of various associations, private citizens, and other interested parties.

Point-of-sale license system

The existing paper system for issuing hunting, fishing, and trapping licenses has been in existence in Indiana for about 100 years. Many states have implemented an electronic point-of-sale (POS) license system. DNR, hunters, and various interest groups were in support of the POS proposal. Many advantages to POS include: reduced bookkeeping; eliminations of selling agent's bond requirement; availability of all licenses at each location to consumers; and greater compliance with federal laws and interstate compacts.

Heritage Trust/Payment in Lieu of Taxes (PILT)

DNR indicated that some counties have been resistant to the Heritage Trust program of acquiring new properties because of the removal of the property from the local property rolls. DNR would like a system to pay counties for property DNR holds. The Nature Conservancy proposed increasing the state solid waste disposal fee to fund Indiana Heritage Trust; Clean Water Indiana; Hometown Indiana, Indiana Land Resources Council; and PILT to counties. Representatives of other associations supported establishing a PILT program.

DNR Fee Increases

DNR proposed increasing various fees and establishing new fees that would raise about \$3 million. Most of the fees have not been increased since the 1970-80's. The money would be used to restore DNR programs that have experienced budget reductions. DNR asked the Committee to consider transferring responsibility for setting certain fees with the Natural Resources Commission.

Abandoned Railway Rights-of-Way

Issues concerning ownership rights of abandoned railway rights-of-way were discussed. Many issues remain unsolved (e.g. property tax values; future development; etc.) while the legal rights to an abandoned railway are being established. Utility payments to use railway easements can be a valuable source of revenue to the property owner. Various parties and citizens involved in cases to determine ownership of abandoned railway lands discussed their experiences.

Dam Inspections

Various groups spoke of the need to amend SEA-2002 to remove references to geologists making dam inspections. Geologists asked to remain in the dam inspection law. Conservancy districts asked that the first inspections be delayed to allow conservancy districts adequate time to raise the funds needed to pay for the inspections.

Conservancy District Cumulative Maintenance Funds

Representatives of conservancy districts asked for legislation that would allow certain conservancy districts to raise more money for their cumulative maintenance funds. Maintenance costs are fixed when the funds are created and funds established 30-40 years ago do not collect enough revenue to adequately maintain and inspect their dams.

Classified Forests

DNR proposed a plan to merge the classified forest program, classified windbreak program, classified wildlife habitat program, and riparian lands program. The revised classified land program would end confusion among landowners who split adjacent lands between different programs and make administration of the programs more efficient for DNR and county officials.

Field Trials

The Sportsmen's Roundtable explained how DNR's failure to apply for a waiver with the U.S. Fish & Wildlife Service has ended a long history of field trials in Indiana. DNR explained the history behind the U.S. Fish & Wildlife Service audits that led to the cancellation of the field trials and efforts DNR is making to allow field trials in the future.

Exhibitor's Permits for Endangered Turtles

A citizen explained how a change in rules by DNR prohibited him from commercially displaying

his turtle. DNR discussed the potential market for the capture and sale of wild endangered species.

Lake and River Enhancement

Various representatives of DNR and a member of the General Assembly discussed the recommendations of the Indiana Lakes Management Work Group. Proposed legislation would allow more lake patrols on the water (by conservation officers and local sheriffs), increase the number of navigational aids, and create more educational opportunities for boaters. DNR has implemented several programs to monitor and control exotic plants and animals in Indiana.

Chronic Wasting Disease (CWD) and Whitetail Deer

Representatives of the Board of Animal Health and DNR spoke on the history of the spread of chronic wasting disease. There is no reliable test for CWD, no cure, and the disease always appears to be fatal to the animal. There is a surveillance plan to test free range deer and farm raised deer and elk for CWD. Members of the General Assembly explained the economic value of deer farming and stressed the need to treat deer farmers like other business owners. Several representatives of associations expressed their concern about CWD spreading to Indiana's wild deer population and their opposition to confined deer hunting operations.

V. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Committee made the following legislative recommendations by roll-call vote:

- PD 3520 (6-0) Conservancy Districts: Allows certain conservancy districts to adopt a resolution to increase the district's cost of maintenance fund.

- PD 3700 (6-0) Point of Sale License System: Requires DNR to implement an automated point of sale hunting, fishing, and trapping licensing system and provides funding from the Lifetime Hunting, Fishing, and Trapping License Trust Fund to develop and implement the system.

- PD 3551 (6-0) Dam Inspections and Permits: Removes references to geologists in the dam inspection laws. Provides that dams must have an engineering inspection. Allows flood control permits to be issued for dams until the dam inspection rules are adopted.

- PD 3671 (6-0) Off-road Vehicles: Increases the off-road vehicle registration fee from \$6 every year to \$30 every three years. Requires the DNR to issue registration decals for off-road vehicles. Places off-road vehicle and snowmobile fees into a combined fund.

- PD 3619 (6-0) Plant Nursery Fees: Increases the nursery dealer's license fee from \$30 to \$50. Increases the nursery inspection fee from \$20 to \$50 plus an additional per acre fee of \$3 (previously \$1.50 per acre). Requires that the fees be placed in the Entomology and Plant Pathology Fund. Removes the fee for the directory of licensed nursery dealers and requires DNR to publish the directory on the Internet.

- PD 3527 (6-0) Natural Resources Fees: Establishes or increases the following fees:
- Increases the fee for a permit to alter a lake shoreline or bed from \$25 to \$100.
 - Establishes a fee for DNR to perform a technical inspection on the following dams:
 - A significant hazard structure \$200 every three years.
 - A low hazard structure \$100 every five years.
 - Increases the fee for a permit to reconstruct a home or to make other uses of a floodway from \$50 to \$200.

- PD 3458 (6-0) Ginseng Dealer License Fees: Increases the fee for a ginseng dealer's license from \$25 to \$100.

- PD 3466 (6-0) Timber Buyers License Fee: Increases the license fee for timber buyers from \$80 to \$105. Increases the timber buyer agent's license fee from \$5 to \$10.

- PDoc 1545.001 (6-0) Classified Land Programs: Provides for the special property tax assessment of land classified for the wildlands program. Converts property classified under the wildlife habitat program to the wildlands program. Prohibits new lands from being classified as a windbreak or riparian land.

- PD 3492 (6-0) Parks and Reservoirs Fund: Combines the State Parks Special Revenue Fund and the Reservoirs Special Revenue Fund into a new combined fund.

- PD 3444 (6-0) Historic Preservation: Requires the Division of Historic Preservation and Archeology to administer certain historical sites or structures that: (1) are on state property that has been transferred, and (2) have been reserved by the Department of Administration.

- PD 3620 (6-0) Law Enforcement: Increases the injury or damage level required for an off road vehicle operator to file an accident report. Prohibits gathering plants or artifacts on private land without consent of the owner. Defines "farmland" for certain hunting license requirements. Provides that, for failure to appear in response to a summons issued by a conservation officer, the court shall: (1) for a resident, suspend the defendant's driver's license and notify the bureau of motor vehicles (BMV) of the suspension; and (2) for a nonresident, notify the BMV of the defendant's failure to appear and have

BMV notify the driver licensing authority of the defendant's state.

- PD 3566 (6-0) Dam Safety: Provides that DNR may regulate the safety and maintenance of dams and structures on Lake Shafer and Lake Freeman.

- (5-1) Fish and Wildlife fees: Increases or establishes the following fish and wildlife license and permit fees.

- Increases the fee for certain fish nets and traps from \$4 to \$10.
- Increases the fee for charter fishing boat licenses from \$100 to \$125.
- Increases the fee for a resident bait dealer's license from \$10 to \$30.
- Increases the fee for a resident fur buyer's license from \$75 to \$100 and a nonresident fur buyer's license from \$125 to \$200.
- Increases the fee for a game breeder's license from \$15 to \$45.
- Increases the fee for taxidermy license from \$15 to \$45.
- Increases the fee for a scientific collectors license from \$10 to \$20.
- Increases the fee for a field trial permit from \$5 to \$15.
- Provides that the \$10 wild animal permit fee to be an annual fee.
- Increases the fee for a fish stocking permit from \$3 to \$15.
- Establishes a fee to remove a wild animal that is damaging property.
- Increases the fee for shooting preserve license from \$100 to \$120.

- HB 1221-2002 (5-1) Lake and River Enhancement: Increases the DNR lake and river enhancement fee for a boat to \$15. Requires two-thirds of the revenue from this fee be allocated for the lake and river enhancement fund and one-third of the revenue allocated for the conservation officers marine enforcement fund. Allows DNR to transfer 20% of the funds in the conservation officers marine enforcement fund into the counties with special boat patrol needs fund.

- (5-0) Sale of Reservoir Water: Requires DNR to negotiate the wholesale rate of reservoir water. Authorizes the Utility Regulatory Commission to set wholesale water rates between DNR and a purchaser. Allows the water resources development fund to be used for the operation of DNR's Division of Water.

- (5-1) Historic Site Admission Fees: Allows the Division of State Museums and Historic Sites to set, collect, and review admission fees for historic sites.

- (5-0) Oil and Gas Well Permit Fees: Increases the fee for an oil and well permit from \$100 to \$250. Establishes an additional \$500 fee for an expedited review of the application. Establishes a per well fee and requires that certain information be submitted to transfer a oil or gas well permit.

Non-legislative recommendations of the Natural Resources Study Committee:

- Field Trials: The Committee recommended that DNR should continue to work to find suitable land upon which field trials may be conducted. DNR should vigorously apply for a waiver or extension from the U.S. Fish and Wildlife Service to allow field trials to be conducted on state and federal property where field trials were conducted before 2001.

- Endangered Species Exhibitor's Permit: The Committee recommended that the Natural Resources Commission amend the rule concerning exhibitor's permits to allow alligator snapping turtles that were privately owned before 1998 to be displayed commercially.

WITNESS LIST

Nels Ackerson	Sommer, Barnard and Ackerson, PC
Marcia Allie	Landowner
Doug Almon	Deer Hunters Association
John Bacone	Division of Nature Preserves, DNR
Eddie Ray Borkholder	Deer Farmer
Dwayne Burke	Indianapolis Power & Light
Doug Gregor	Association of Indiana Conservancy Districts
John Davis	DNR
Lynn Dennis	The Nature Conservancy
Dax Denton	Association of Indiana Counties
Gary Doxtater	Indianapolis, Indiana
Paul Ehret	DNR
Bob Feitz	Landowner
Burnell Fisher	Division of Forestry, DNR
Linnea Floyd	Division of Fish and Wildlife, DNR
Rep. William Friend	District 23
Tonya Galbraith	Indiana Association of Cities and Towns
John Goss	DNR
Sen. Robert Jackman, DVM	District 42
Randy Koetter	Koetter Woodworking
Bob Kraft	Indiana Farm Bureau
Emily Kress	Division of Outdoor Recreation, DNR
Glenn Lange	Division of Fish and Wildlife, DNR
Rep. Richard Mangus	District 21
Bret Marsh, DVM	Board of Animal Health
Sen. Robert Meeks	District 13
Dick Mercier	Indiana Sportsmen Roundtable
Doug Metcalf	Board of Animal Health
Ray Moistner	Hardwood Lumberman's Association
Mike Neyer	Division of Water, DNR
Mike Nickolaus	Division of Oil and Gas, DNR
Nat Noland	Indiana Coal Council
Phil Ohmit	Hoosier Conservation Alliance
Rachel Perry	Division of Historic Sites, DNR
Henry Price	Indianapolis, Indiana
Jim Ray	Division of Soil Conservation, DNR
Russell Reed	Churubusco, Indiana

Glen Salmon	Division of Fish and Wildlife, DNR
Geruas Schaferdum, DVM	Milford, Indiana
Spence Schnaitter	Association of Indiana Conservancy Districts
John Seifert	Indiana Woodland Owners Association
Glenna Shelby	Consulting Engineers of Indiana
Bruce Stevens	Division of Reclamation, DNR
Kevin Strunk	Professional Geologists of Indiana
Dr. Brad Thurston	Indianapolis, Indiana
Diane Vonnegut	Citizen
Bob Waltz	Division of Entomology and Plant Pathology, DNR
Col. Jeff Wells	Division of Law Enforcement, DNR
John C. Wilkerson	Peterson Consulting Worldwide
Brian Wright	Hoosier Environmental Council
Paula Yeager	Indiana Wildlife Federation